

 <p>Department of Navy Human Resources Service Center</p> <p>FERS Death Benefits</p>	<p>Death in Service Benefits for Federal Employees Retirement System (FERS) Employees</p>
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<p align="center">FEDERAL EMPLOYEES' GROUP LIFE INSURANCE (FEGLI)</p>
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If an employee elected to participate in FEGLI, survivors are entitled to life insurance benefits. If the employee assigned ownership of the insurance (usually by filing a RI 76-10, Assignment of Life Insurance), the Office of Federal Employees' Group Life Insurance (OFEGLI) will pay:

- First to the beneficiary(ies) the assignee(s) validly designated;
- Second, if none, to the assignee(s).

If the employee did not assign ownership and there is a valid court order on file with the agency, OFEGLI will pay benefits according to the court order.

If the employee did not assign ownership and there is no valid court order on file with the agency, then OFEGLI will pay:

- First, to the beneficiary(ies) designated on a valid SF 2823, Designation of Beneficiary FEGLI
- Second, if none, to the widow or widower;
- Third, if none of the above, to the employee's child or children and the descendants of any deceased children (a court will usually have to appoint a guardian to receive payment for a minor child);
- Fourth, if none of the above, to the employee's parents in equal shares, or the entire amount to the surviving parent;
- Fifth, if none of the above, to the court-appointed executor or administrator of the estate;
- Sixth, if none of the above, to other next of kin entitled under the laws of the State where the employee lived.

If the amount payable is less than \$7,500, the beneficiary will receive a single check for the entire amount. If the amount payable is \$7,500 or more, the Metropolitan Life Insurance Company, administrator of the FEGLI program will open a Money Market Option Account for the beneficiary with a checkbook for access to the money.

<p align="center">FERS BENEFITS</p>
<p align="center">Spousal Survivor Benefits Under FERS</p>

There are two types of FERS spousal benefits – basic employee death benefit and a monthly survivor annuity.

1. Basic Employee Death Benefit.

An employee and surviving spouse must meet certain eligibility requirements before a basic employee death benefit is payable. The employee must have:

- Completed at least 18 months of creditable civilian service; and
- Died while subject to FERS deductions.

For a spouse to receive the basic employee death benefit or the survivor annuity, the spouse must meet one of the following requirements:

- The surviving spouse and the employee must have been married for at least 9 months; or

- A child was born of the marriage; or
- The death of the employee was accidental.

In addition to the above requirements, there can be no court order awarding the total survivor annuity to a former spouse. If a former spouse was awarded only a part of the total survivor annuity, the surviving spouse will receive the remainder.

The basic employee death benefit is:

- \$15,000 (increased by all CSRS COLA's beginning 1 December 1987) (for deaths after 1 December 2003 and before 1 December 2004 this amount is \$24,866.19); plus
- 50% of the employee's final salary (or high-3 average salary if higher).

The surviving spouse must elect whether to receive the basic employee death benefit in:

- One payment, or
- 36 monthly installments.

The basic employee death benefit can be rolled over into an Individual Retirement Arrangement (IRA).

2. Survivor Annuity Benefits.

In addition to the basic employee death benefit, a monthly survivor annuity is payable to a spouse if the employee:

- Completed at least 10 years of total creditable service, and
- Died while subject to FERS deductions.

The spousal survivor annuity is 50% of the employee's basic annuity computed as if the employee retired optionally (with no age reduction) on the date of death.

Military service performed after 31 December 1956 is subject to Social Security taxes and is primarily creditable toward a survivor's Social Security benefit, if any. Military service performed after 31 December 1956 can be credited for both Social Security and FERS survivor benefits if a deposit is paid.

3. Duration of Spousal Benefits. An annuity to the surviving spouse of an employee begins on the day after the employee's death. The exception to this is when the entitlement to an annuity depends on the birth of a posthumous child. Benefits begin on the day after the child is born.

A survivor annuity to a widow or widower ends on the last day of the month preceding the month preceding the month in which he or she:

- Dies, or
- Remarries prior to age 55. For remarriages occurring after 1 January 1995, if the widow or widower remarries before age 55, and was married for at least 30 years to the individual on whose service the survivor annuity is based, the survivor annuity will not be terminated.

CHILDREN'S BENEFITS UNDER FERS

1. Eligibility Requirements for Children's Benefits. If a child meets the eligibility requirements, monthly survivor benefits for children are paid if the employee:

- Completed at least 18 months of creditable civilian service; and

- Died while subject to FERS deductions.

To qualify for a survivor annuity, the child (including a legally adopted child) of a deceased employee must:

- Must have been dependent on the employee at the time of death;
- Must be unmarried; and
- Must be:
 - Under age 18;
 - Age 18 to 22 and a full-time student; or
 - Over age 18 and incapable of self-support due to a disability incurred before age 18.

2. Amount of Children's Benefits. The children's survivor benefit is a specific dollar amount that is established by the formula in law and is increased by CSRS cost of living adjustments. This benefit is payable in addition to any survivor annuity payable to a spouse. The following rates apply from 1 December 2003 – 30 November 2004.

- a. Single Orphan Rate. When the child has a living parent who was married to the employee, the benefit payable to that child is the lesser of:
 - 1) \$392.00 per month per child; or
 - 2) \$1,176.00 per month divided by the number of eligible children
- b. Double Orphan Rate. When the child has no living parent who was married to the employee, the benefit payable to that child is the lesser of:
 - 1) \$470.00 per month per child; or
 - 2) \$1,410.00 divided by the number of eligible children.

Any monthly FERS survivor benefit payable to any child of the deceased employee is reduced by the total amount of any Social Security survivor benefit payable to all children based on the Social Security earnings of the deceased employee. In many cases, the FERS benefit is reduced to \$0.

3. Duration of Children's Benefits. A child's survivor annuity benefits begin on the day following an employee's death or, in the case of a posthumous child, on the day following a child's birth. A survivor annuity to a child under 18 ends on the last day of the month preceding the month in which the child:

- Marries,
- Dies; or
- Becomes 18.

In the case of a child over 18 and attending school, the annuity ends the last day of the month preceding the month in which the child:

- Marries;
- Dies;
- Ceases to be a student;
- Transfers to a nonrecognized school;
- Begins attending school less than full-time;
- Fails to submit proof, upon request, that he or she is attending school full-time
- Enters military service or government service academy; or
- Becomes age 22.

LUMP SUM FERS RETIREMENT BENEFITS

If there is no survivor who is entitled to a monthly survivor annuity benefit, the total lump-sum credit in the FERS will be paid to the beneficiaries designated on a valid, SF 3102, Designation of Beneficiary FERS. If there is no SF 3102 on file, beneficiaries will be determined using the order of precedence listed on the back of the form.

FEDERAL EMPLOYEES HEALTH BENEFITS (FEHB)

If an employee had a self and family enrollment on the date of death and a survivor annuity is payable, the surviving spouse/child can continue health insurance coverage. The premiums will be deducted from the survivor annuity. If the annuity is inadequate to pay the premium the survivor may make direct payment to Office of Personnel Management.

If the employee had self and family enrollment on the date of death and no survivor annuity is payable, the enrollment terminates and the survivor has the right to convert to an individual policy within 30 days but is not eligible for Temporary Continuation of Coverage.

If an employee has a self-only enrollment on the date of death the enrollment terminates with no right to enroll or convert for the survivor.

BENEFITS FROM THE THRIFT SAVINGS PLAN

TSP Service Office will distribute an employee's account to the beneficiaries designated on a valid, TSP-3, Designation of Beneficiary TSP. If there is no TSP-3 is on file, beneficiaries will be determined using the order of precedence listed on the back of the form.

Spouses may elect to receive a single lump sum payment or to roll the entire account balance into an Individual Retirement Account.

UNPAID COMPENSATION BENEFITS

Unpaid compensation is any additional compensation that was earned, but not paid. It includes unpaid salary, a lump sum payment for annual leave, unpaid travel vouchers, amount due as a refund of salary deductions for U. S. Savings Bonds and payment for any earned compensatory time.

Unpaid compensation benefits are paid by the Defense Finance and Accounting Service (DFAS) to the beneficiaries designated on a valid, SF 1152, Designation of Beneficiary Unpaid Compensation of Deceased Civilian Employee. If there is no SF 1152 on file, beneficiaries will be determined using the order of precedence listed on back of the form. Unpaid compensation benefits are paid in a lump sum.